

3. Resources Available

3.A. Federal Resources

FY 2003 is the twenty-eighth year (CD-28) of the Community Development Block Grant Program. In January 2002, the Community Planning Division of HUD informed DHCD that its fiscal year 2003 formula entitlement grant allocations were as follows:

CDBG	HOME	ESG	HOPWA
\$24,334,000	\$7,654,000	\$830,000	\$8,721,000

DHCD will serve as the administrator for the CDBG, HOME, and ESG grants.* The CDBG and HOME grants will be supplemented by CDBG program income and HOME program income.

The regional HOPWA allocation is administered through and monitored by the D.C. Department of Health, Administration for HIV/AIDS. The allocation of HOPWA funds is made to the District on behalf of the Washington, D.C. Eligible Metropolitan Statistical Area (EMSA), which includes the District of Columbia, suburban Maryland, suburban Virginia, and two counties in West Virginia. Before disbursement, the District is entitled to 3 per cent of the total allocation to administer the grant. The remaining funds are distributed proportionately, based on the EMSA Ryan White formula using AIDS cases. Within each jurisdiction's allocation, seven percent may be used for administrative activities. The distribution of funds within the EMSA is described in Section 6 of this Plan.

Total budgeted finds for the District's four federal entitlement grant programs (including CDBG program income funds, and formula share and 3% grantee administrative allowance for the HOPWA funds) in FY 2003 are as follows:

CDBG	HOME	ESG	HOPWA
\$33,284,080	\$8,054,000	\$830,000	\$5,049,633

The total amount available to the District under the four federal entitlement programs in FY 2003, as shown above, is **\$47,217,713**.

3.B. Other Resources

3.B.1. District Appropriated Funds

According to the Mayor's FY 2003 baseline budget, the funds projected from District budget appropriations total \$7,730,464 (estimated).

In addition, DHCD will have access to the Housing Production Trust Fund to support affordable housing projects. The Housing Production Trust Fund was authorized by the Housing Production Trust Fund Act of 1988. The District received \$25 million from the sale of its Department of

* DHCD expects to transfer administration and management of the ESG program to the Office of the Deputy Mayor for Children, Youth, Families and Elders and the program offices under that administration. The transfer will enhance the District's ability to coordinate its efforts on behalf of the homeless population through the Continuum of Care. With ESG added to its portfolio, the Deputy Mayor's office will be able to plan for and execute the full spectrum of Continuum of Care activities.

Employment Services building, which was deposited into the Housing Production Trust Fund account. The Council of the District of Columbia amended the guidelines for operating the Fund in the Housing Act of 2002, and DHCD will have spending authority for the Fund in FY 2003.

As of April 2002, the Fund balance is \$24 million. DHCD will receive an additional \$11.5 million in FY 2003 through the contribution of a portion of the District's real estate transfer and deed recordation taxes. A portion of these funds will be made available in FY 2003 for specific affordable housing projects, including preservation the affordability of housing with expiring federal subsidies; investment in special needs housing; investment in single family rehabilitation; and support for the District's Homestead Housing Preservation Program.

3.B.2. Private Funds

The grant award criteria of the District's housing and community development programs require the maximum use of private financial resources. Whenever possible, public funds are used to "close the gap" in providing the needed financing for selected projects. The District's housing production programs are often leveraged with private funds, usually with a ratio of one DHCD dollar for every three or four dollars from other sources.

Where major renovation or new development of housing is required, the private financing sector is critical. Banks and savings and loan institutions play a critical role in housing as the primary financing source of all housing production, rehabilitation, or capital improvements, and ongoing operations. Many banks have special community lending operations, partly in response to the provisions of the Community Reinvestment Act, which encourages local lenders to invest in affordable housing and other community support projects. Several local banks have been active in supporting nonprofit affordable housing development.

In addition, the District government and nonprofit developers have actively reached out to capture foundation grants. Many nonprofit organizations that develop special needs population housing in particular seek foundation funding to provide social support services. Among the organizations that are active in this area are the Federal National Mortgage Association (Fannie Mae) Foundation, Meyer Foundation, Local Initiative Support Corporation (LISC), and the Enterprise Foundation.